(b) whether some exporting companies connected with the ANZ Grindlays Bank have not been bringing in foreign exchange earned in US Dollars from USA;

(c) whether any enquiry has been ordered; and

(d) if not, the reaons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) No, Sir.

(b) to (d) Enforcement Directorate has taken up investigation/enquiries against five companies of Kanpur for alleged non-realisation of export proceeds.

Integrating people in banking operations

4526. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) the estimated number of people who are yet to be integrated in the banking operations who otherwise have the capacity to save;

(b) whether there is a need for readjusting interest rates of the small saving scheme as compared to the rate of interest with the term deposits in the bank; and

(c) whether Government will also consider giving 75% of the surplus generated from the small savings operations after making deductions of disbursement of interest payments as well as administrative cost to the concerned States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Data reporting system of Reserve Bank of India (RBI) does not generate such information.

(b) and (c) "A Committee has been constituted by the Finance Minister to examine several issues relating to Small Saving Schemes including the benchmarking of interest rates with that of banks/financial institutions and review of the parameters of disbursement of small savings collections as loan to the State Governments. The report of the Committee is awaited".

Revenue loss due to delay in notifications

4527. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken note of the latest report of the Comptroller & Auditor General of India suggesting that delay in issuing notification by the Ministry of Finance on changes in advalorem rates on tyres and tubes affected in the 1994-95 Budget has cost a loss to the exchequer to the extent of Rs. 1,768/- crores till 1997;

(b) whether Government have investigated into the reasons for the reported delay in notification as indicated by C&AG; and

(c) whether any disciplinary measures are proposed to be taken against those responsible for the loss of revenue to the exchequer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Yes, Sir. However, it is incorrect that there was delay in issuing the notification regarding levy of duty on tyres and tubes at advalorem rates and that this has cost a revenue loss to the exchequer to the extent of Rs. 1768 crores till 1997. The reasons for issuing the said notification on 1st March, 1997 are indicated in reply to part (b) of the Question below. As regards the alleged revenue loss pointed out in the C&AF's report for the year ended 31st March, 1997. the C&AF's report is based on the presumption that Government would have levied duty on tyres and tubes at maximum rates specified in the Tariff between May, 1994 to February, 1997. However, this presumption is not correct because, while notifying levy of duty on advalorem basis with effect from 1st March, 1997, the Government has notified rates which are lower than the maximum rates specified in the Tariff. The duty liable to be realised on these

notified rates during the period May, 1994 to February, 1997 (the period covered by C&AG's Audit Para), would not have been more than the duty actually collected at the specific rates of duty during this period. Therefore, there is no loss of revenue as indicated in the C&AG's report.

(b) Even though Parliament had authorised the Central Govt. to notify levy of duty on tyres and tubes on advalorem basis in the Finance Act, 1994, it was decided by the Govt. to notify such rates only after amending valuation provisions prescribed in Section 4 of Central Excise Act, 1944 so as to avoid revenue disputes and consequent litigation in arriving at assessable value on tyres and tubes considering the marketing pattern adopted by the manufacturers of tyres and tubes. After studying the marketing pattern on manufacturers of tyres and tubes where the sales are predominantly made through their own depots, the aforesaid Section 4 was amended to provide for levy of duty on the basis of depot sale price in the Finance Act, 1996. thereafter, the advalorem rates were notified with effect from 1st March, 1997 as part of the 1997-98 Budget.

(c) Does not arise in view of reply at (a) and (b) above.

धन-वापसी आदि से संबंधित लंबित शिकायतें

4528. **श्री राघवजी:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) 30 जून, 1998 के अनुसार केन्द्र सरकार के पास धन-वापसी, जब्त की गयी वस्तुओं का न लौटाया जाना, बयान न देना आदि से संबंधित कितनी शिकायतें लंबित हैं;

(ख) उक्त शिकायतों का निवारण कब तक कर दिया जायेगा; और

(ग) उक्त शिकायतों में से एक वर्ष से अधिक समय से लंबित शिकायतों की संख्या कितनी है तथा इस विलम्ब के क्या कारण हैं?

वित्त मंत्रालय में राज्य मंत्री (श्री आर० जनार्दनम): (क) से (ग) सूचना एकत्र की जा रही है और सदन पटल पर रख दी जाएगी।

Effect of subsidies on fiscal health of economy

4529. **SHRI NARENDRA MOHAN:** Will the Minister of **FINANCE** be pleased to state:

(a) whether it is a fact that the impact of increasing incidence of 'subsidies' is beginning to show on the fiscal health of the economy and the revenue deficit of the Centre and the States combined together has come to 3.4% of the GDP in nineties from 2.7% in the eighties; and

(b) if so, the reasons for this increase in 'subsidies' and what steps Government proposes to adopt to gradually eliminate 'subsidies' in the foreseeable future?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) As per the data available in the various issues of the Public Finance Statistics brought out by the Ministry of Finance, the trend in the revenue deficit of the Centre, States and the Union Territories (UTS) combined as a proportion of gross domestic product at current market prices is as follows:

Revenue Deficit of Centre, States and UTs combined

Year	As per cent of GDP
1080-81	-0.1
1981-82	-0.6
1982-83	0.2
1983-84	1.1
1984-85	1.9
1985-86	1.9
1986-87	2.6
1987-88	3.1
1988-89	3.1
1989-90	3.4
1990-91	4.4
1991-92	3.6
1992-93	3.3
1993-94	4.5
1994-95	3.8
1995-96	3.4
1996-97(RE)	3.4
1997-98(BE)	3.9
Average 1980-81-1989-90	1.7